

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

January 28, 2024

**Periodic report on the prices of common banking services for households –**

**first half of 2023**

The Banking Supervision Department today submitted to the Knesset Economics Committee the periodic report on the prices of common banking services to households for the first half of 2023. The report is based on reporting by the banking corporations and credit card companies regarding fees charged during the first half of 2023. For the public’s benefit, the report includes a new chapter outlining eligibilities for fee discounts and benefits.

Supervisor of Banks Daniel Hahiashvili said, “This report covers the period prior to the outbreak of the Swords of Iron war. As such, it does not include the effects of the war. However, in this context, it is worth nothing the Bank of Israel’s program to assist customers of the banking system due to the war.[[1]](#footnote-1) The program includes a variety of steps to assist the public, including in the area of fees. Customers who are directly affected by the war and meet the definition of “first-degree customers” are eligible to receive a full exemption from most of the common fees during the period of the program, including a deferral of loan repayments without extra fees. Other customers, those who are “second-degree customers” are eligible for a deferral of payments without fees. In addition, the publication of this report is another opportunity to bring the importance of proper financial conduct—including with regard to comparing prices in the area of bank fees and with regard to other banking services—to the public’s attention. I invite customers to use the tools and products that we have developed and made available on the Bank of Israel website[[2]](#footnote-2), such as a fee track calculator[[3]](#footnote-3) that indicates the worthwhileness of joining the low-cost fee track service based on the customer’s characteristics. I call on those who have not yet joined the tracks service and who pay more than NIS 10 per month for basic current account services to examine whether the tracks service is worthwhile for them.”

The following are the main developments:

* In general the ratio of fees income to total assets of the banking system is in a cumulative downward trend that began following the bank fees reform in 2008. So far, there has been a cumulative decline of 46 percent, which is partly attributed to the cumulative measures taken in recent years by the Banking Supervision Department with regard to fees.
* In the first half of 2023, there was a slight increase in the ratio of total fees income to total assets of the banking system. This increase was mainly influenced by the increased volume of fees charged to large businesses as a result of the increase in the volume of activity of this segment. In addition, there was an increase in income from fees charged in respect of foreign exchange and credit card activity (including large businesses). In contrast, there was a decline in fees charged to individuals and small businesses in respect of securities and credit activity.
* The average cost of managing a current account and holding a payment card in the account was NIS 28.5 per month in the first half of the year (an increase of NIS 1.3 per month from 2022). The increase was mainly due to growth in foreign exchange transactions by the Israeli public using payment cards.
* In the first half of 2023, 132,000 accounts joined the supervised payment tracks. This service includes uniform baskets of services for managing a current account. The service offers a fixed monthly fee for making a predefined number of transactions per month (teller-executed or direct channel transactions). The track services include a significant discount for basic current account transactions.

1. https://www.boi.org.il/en/bank-of-israel/iron-swords/boi-outline-banks/ [↑](#footnote-ref-1)
2. <https://www.boi.org.il/information/bank-paymnts/> (in Hebrew) [↑](#footnote-ref-2)
3. https://www.boi.org.il/en/information-and-service-to-the-public/tools-and-calculators/fee-track-calculator/ [↑](#footnote-ref-3)